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ABSTRACT

Guidelines for students seeking financial aid are provided for six federal programs. General information about seeking financial aid and rights and responsibilities of the student as consumer are outlined. The following federal aid programs are covered: the Basic Educational Opportunity Grant Program, the Guaranteed Student Loan Program, the Health Education Assistance Loan Program, the Supplemental Educational Opportunity Grant Program, National Direct Student Loan Program, and the College Work-Study program. The last three programs are campus-based. Sources of information on the Guaranteed Student Loan Program are also listed. (SW)

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Student Consumer's Guide

Six Federal Financial Aid Programs, 1979-80

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U.S. Department of Health, Education, and Welfare
Office of Education

[redacted]

To help you finance your education and training after high school, the U.S. Office of Education (USOE) offers six student financial aid programs:

Basic Educational Opportunity Grant *(BEOG)*

Supplemental Educational Opportunity Grant *(SEOG)*

College Work-Study *(CW-S)*

National Direct Student Loan *(NDSL)*

Guaranteed Student Loan *(GSL)*

Health Education Assistance Loan *(HEAL)*

To be eligible for aid under any of these programs, you must be enrolled at least half-time in an eligible program at a postsecondary college, university, vocational school, technical school, or hospital school of nursing) participating in USOE financial aid programs. You must also meet the citizenship requirements discussed on page 1.

With the exception of GSL and HEAL, Federal student assistance is awarded on the basis of need. Need is the difference between your educational expenses—tuition, fees, room, board, books, supplies, and miscellaneous expenses—and the amount you and your family can afford to pay. There are several different systems for determining your need. While all of these systems take into account the same factors, such as income, assets, and family size, they do not all evaluate these factors in the same way. The estimate of how much you and your family can afford will vary, depending on which system is used at your school.

There are many other sources of student financial aid besides those described in this booklet. The best source of information on other sources of aid is the financial aid office at your school.

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General Information

When you apply for aid under any of the U.S. Office of Education programs, you should become familiar with all the rules, requirements, obligations, and deadlines which apply to you. Specific information about each of the programs is provided in other sections of this booklet. However, there are a few points you should keep in mind:

1. Each USOE program falls into one of three categories: grants, loans, or employment. Grants are outright gifts of money; they do not have to be repaid. Loans are borrowed money which must be repaid with interest. Employment allows you to work and earn the money you need.

2. To be considered for aid from any of the USOE programs, you must complete the application forms accurately and submit them on time. You are also responsible for checking the status of your application to be sure that it has been processed.

3. You must reapply annually. Aid from these programs does not continue from one year to the next.

4. To apply under any of the USOE programs, you must meet one of the following citizenship requirements: Be a citizen, national, or permanent resident of the United States, the Northern Mariana Islands, or the Trust Territory of the Pacific Islands; or be in the United States for other than a temporary purpose and be able to provide documentation of your intent to become a permanent resident. (See your financial aid officer for acceptable documentation.) If you are in the United States on an F1 or F2 student visa only, you are not eligible for Federal student aid.

5. In order to receive aid from these sources, you must be enrolled in an eligible course of study at one of about 9,000 institutions participating in USOE financial aid programs. Not all institutions participate in all the programs. To check the eligibility of a school and its programs, as well as the availability of financial aid, contact the school's financial aid office.

6. Although the U.S. Office of Education determines the eligibility of a school for participation in USOE financial aid programs, the Government does not make judgments about or endorse the quality or suitability of the education offered by the school. It is your responsibility to carefully evaluate the content and quality of the school and its curriculum.

7. Undergraduates may apply for any of the USOE programs. Graduate students may apply only for National Direct Student Loans, Guaranteed Student Loans, College Work-Study, and Health Education Assistance Loans.

8. All of these programs except College Work-Study set limits on the total amount of aid you can receive or the number of years you can receive it. It is important to know these limits so that you can make other plans for financing that part of your education which exceeds the limits.

9. To receive Federal aid, you must:

(a) Be making satisfactory progress toward the completion of your course of study;

(b) Not be in default on a National Direct Student Loan or Guaranteed Student Loan; and

(c) Not owe a refund on a Basic Grant or Supplemental Educational Opportunity Grant.

10. If you transfer from one school to another, your financial aid does not automatically go with you. You must take the action necessary to continue receiving aid at your new school. As soon as possible, check with the financial aid officer at your new school to find out what aid will be available and what steps you must take.

Since many schools require transfer students to submit a financial aid transcript from their old school, check to see if this is a requirement at your new school.

If you have a Guaranteed Student Loan, check with the lender to be sure you can continue your loan at your new school.

If you have a Basic Grant, you must get a duplicate copy of your Student Eligibility Report (this report is described in the section of this booklet on Basic Grants) to submit to the new school's financial aid officer.

If you have a National Direct Student Loan, a Supplemental Educational Opportunity Grant, or a College Work-Study job, you must reapply at your new school.

11. Aid received from any USOE program must be used only for educational purposes. Before you receive any money, you must sign and have notarized an affidavit stating that you will use the money only for such purposes. These include payments for tuition, fees, room, board, books, supplies, and other items related to your attendance at a particular school.

Your Rights and Responsibilities As A Student Consumer

Postsecondary education or training requires your investment of money, time, and hopes for which you expect returns in the form of productive employment, social development, intellectual enrichment, or personal satisfaction. A postsecondary education is one of the largest investments you will make. As a consumer, it is your responsibility to carefully evaluate the product (education or training) and fully understand what it is you are about to purchase.

Before you make a final decision on your education or training, you as a consumer should have information about the school's: academic program, facilities, drop-out rates, full cost of attendance, refund policy, financial aid programs, any other information you will need to help you make your decision.

Remember, the final choice is yours. Be sure you fully understand all your options and your responsibilities before you make your decision.

Student Rights

You have the right to:

- Know what financial assistance is available, including information on all Federal, State, and institutional financial aid programs.
- Know the deadlines for submitting applications for each of the financial aid programs available.

• Know the cost of attending the institution and the school's refund policy.

• Know the criteria used by the institution to select financial aid recipients.

• Know how the school determines your financial need. This process includes how costs for tuition and fees, room and board, travel, books and supplies, personal and miscellaneous expenses, etc., are considered in your budget.

• Know what resources (such as parental contribution, other financial aid, your assets, etc.) are considered in the calculation of your need.

• Know how much of your financial need, as determined by the institution, has been met.

• Request from the financial aid office an explanation of the various programs in your student aid package. If you believe you have been treated unfairly, you may request reconsideration of the award which was made to you.

• Know what portion of the financial aid you received must be repaid, and what portion is grant aid. If the aid is a loan, you have the right to know what the interest rate is, the total amount that must be repaid, the payback procedures, the length of time you have to repay the loan, and when repayment is to begin.

• Know how the school determines whether you are making satisfactory progress, and what happens if you are not.

Student Responsibilities

It is your responsibility to:

• Review and consider all information about the school's program before you enroll.

• Complete all application forms accurately and submit them on time to the right place.

• Pay special attention to and accurately complete your application for student financial aid. Errors can result in long delays in your receipt of financial aid. Intentional misreporting of information on application forms for Federal financial aid is a violation of law and is considered a criminal offense subject to penalties under the U.S. Criminal Code.

• Return all additional documentation, verification, corrections, and/or new information requested by either the financial aid office or the agency to which you submitted your application.

• Read and understand all forms that you are asked to sign and keep copies of them.

• Accept responsibility for all agreements you sign.

• If you have a loan, notify the lender of changes in your name, address, or school status.

• Perform the work that is agreed upon in accepting a College Work-Study award.

• Know and comply with the deadlines for application or reapplication for aid.

• Know and comply with your school's refund procedures.

Basic Educational Opportunity Grant Program

Basic grants for the 1979-80 award period (July 1, 1979 to June 30, 1980) will range up to $1,800, depending on your eligibility as determined by a standard formula. Unlike the other USOE financial aid programs, all eligible students will receive Basic Grant awards.

To be eligible for a Basic Grant you must: (a) be determined to have financial need based on the Basic Grant eligibility formula and the cost of your education; (b) be an undergraduate student enrolled in an eligible program at an eligible institution at least half-time; (c) meet the citizenship requirements discussed on page 1; and (d) not have used your full eligibility for Basic Grants.

In general, you may receive Basic Grants for four full years. However, you can receive a Basic Grant for up to one additional year if: (a) you are enrolled in a course of study designed by your school to require up to five years for a first degree; or (b) your school requires you to enroll in a non-credit remedial course of study which will delay completion of a regular program.

Although you will probably be paid your Basic Grant through your school, your eligibility and the actual amount of your award are determined by the Office of Education. The financial aid officer at your school cannot make any adjustments in your Basic Grant beyond those required by the Government.

Your financial need is determined on the basis of a formula developed annually by the Office of Education and reviewed by Congress. This formula is applied consistently to all applicants and takes into account indicators of financial strength, such as income, assets, family size, etc. The formula uses the information you provide on your application to produce an eligibility index number. This number is not a dollar figure, but is used, along with the cost of your education, to determine the actual amount of your grant.

Due to the formula nature of the program and the necessity for treating every applicant in the same manner, the individual circumstances of applicants and their parents cannot be taken into account. Other Federal, State and private student aid programs do allow the institution's financial aid officer to take into account special circumstances affecting the financial need of the individual student.

Because of the complexity and length of the eligibility formula, it is not included in this "Student Guide." However, you can get a pamphlet which describes the formula in detail by writing to: BEOG, P.O. Box 84, Washington, D.C. 20044 and asking for a copy of "Determination of Basic Grant Eligibility Index, 1979-80."

Your eligibility for a Basic Grant does not directly affect your eligibility for other aid. However, your school or State may require that you apply for a Basic Grant before you can be considered for other aid. For specific information on the requirements of State or private financial aid programs, you should see the financial aid officer at your school.

How to Apply

You must apply for a Basic Grant each year. You can apply for the 1979-80 award period between January 1, 1979 and March 15, 1980. Filing any one of the following application forms will allow you to be considered for a Basic Grant:

Family Financial Statement (FFS) distributed by the American College Testing Program (ACT)

Financial Aid Form (FAF) distributed by the College Scholarship Service (CSS)

Pennsylvania Higher Education Assistance Agency (PHEAA) Form

Student Aid Application for California (SAAC)

1979-80 Application for Determination of Basic Grant Eligibility distributed by the BEOG program

To find out which form you should file, contact the financial aid officer at each school you are considering.

If you file one of the first four forms, you must be sure that you check the appropriate item indicating that you are also applying for Basic Grant eligibility. If you do not, you will have to file again if you want to apply for a Basic Grant.

There is no charge for applying for a Basic Grant. However, there is a small charge for using either the FFS or FAF to have your need determined for other aid. If you use the FFS or FAF to apply only for a Basic Grant, there is no charge.

No matter which form you use to apply for a Basic Grant, you must complete the form carefully, accurately, and legibly. Failure to do so will cause delays in processing your application. Send the completed application to the address specified. If you send it to another location, you will delay the processing of your form. If you have difficulty in completing your form or do not understand the directions, you should see the financial aid officer at your school.

The Basic Grant application packet will include a post card. If you submit the post card with your application, it will be returned to you and will indicate the approximate date you will receive your Student Eligibility Report (SER), which is the official notification of your eligibility index for a Basic Grant. If you do not receive the post card within a month after sending in your application, submit another application. If you file one of the other forms, no post card is provided. However, you should receive an SER about six weeks after filing any of the applications. If you do not, see your high school counselor or financial aid officer. You must have this document in order to receive your Basic Grant.

Helpful Hints on Completing the Application Form:

1. Read and follow the application instructions carefully.
2. Submit only one application.
3. Do not attempt to make corrections by filing a second application. Corrections must be made on your SER.
4. Do not write notes on the application form or attach letters, tax forms, etc., to your application. This will delay the processing of your application.
5. Be sure to include your permanent and complete mailing address.
6. Fill in all blanks. Do not use N/A, none or unknown.
7. Write legibly.
8. Use dollar amounts only. Round figures to the nearest dollar.
9. Keep the instruction booklet for later use. It is needed if any corrections are to be made.

Student Eligibility Report *(SER)*

After your application is processed, you will receive a Student Eligibility Report (SER), which is the official notification of your eligibility index number. The lower the number, the higher your award will be. In order for you to **receive your Basic Grant, you must have a correct and complete SER.**

There are four sections on the SER. *Section 1* contains all the information you reported which was used to calculate your eligibility index. *Section 2* contains important information about your application, including your eligibility index number. *Section 3* contains the estimated amount of your Basic Grant award, based on the assumption that you will be enrolled as a full-time student for a full year. *Section 4* will be completed by your school after your enroll. It will show the actual amount of your award.

When you receive your SER, review it carefully, paying particular attention to Sections 1 and 2. Section 1 must be correct as of the date you signed your application, or it will not be considered valid and you will not receive your Basic Grant award.

The instructions in Section 2 must be carefully followed. If additional information is requested, it must be provided. In addition, certain assumptions may have been made about your application. These assumptions will be listed in Section 2 of the Student Eligibility Report. If any assumption is incorrect, your SER is not valid until it is corrected.

Corrections

To correct a mistake on the SER, remove the last page, draw a line through the incorrect information, write the correct information above it, sign the certification on the back (if you are a dependent student, you and a parent must sign it) and mail this corrected, signed SER to: BEOG, P.O. Box H, Iowa City, Iowa 52240. Any corrected SER that is not signed will not be processed. You will receive a revised SER in about four weeks.

You cannot update the information in Section 1 of the SER to reflect changes that have occurred since you signed the application. You may only change information that was incorrectly entered on the application.

Helpful Hints on Making Corrections to Your SER:

1. Review your SER to ensure that all information is correct.
2. Carefully read the directions on the reverse side of your SER. Make any corrections that are necessary, not just the information in Section 2.
3. If the answer to an item would be "not applicable", "none", or "unknown", fill in that item with zero.
4. Use dollar amounts only. Round figures to the nearest dollar.
5. Always sign the reverse side of the copy of the SER on which you have made corrections. If you are a dependent student, your SER must be signed by you and one parent.
6. Submit the signed copy of your SER. Keep the other copies in case your corrected SER is lost in the mail or an error was made in making corrections.

Supplemental Form

Generally, your eligibility will be calculated on the 1978 financial information you put on your application. However, certain circumstances may occur after you have filed your application that could drastically affect your financial strength. Therefore, under certain specific conditions, you can file a Supplemental Form which allows you to have your eligibility index calculated on the basis of your estimated 1979 income. The specific conditions under which you may file a Supplemental Form are:

- A parent or spouse whose 1978 income was included on the Basic Grant application form died since the application was filed.
- A parent or spouse whose 1978 income was or would have been included on the application for a Basic Grant has been totally unemployed for at least 10 weeks in 1979.
- The parents of the applicant have been separated or divorced since an original 1979-80 application for a Basic Grant was submitted.
- The applicant has become separated or divorced since the original 1979-80 application for a Basic Grant was submitted.
- The applicant, parent, or spouse whose 1978 income was or would have been included on the application for a Basic Grant has been unable to pursue normal income-producing activities for 10 weeks or longer during 1979 due to loss or damage to income-producing property as a result of a natural disaster or disability that occurred during 1978 and 1979.
- The independent applicant who was employed full-time (at least 35 hours per week) for a

minimum of 30 weeks in 1978 is no longer employed full-time.

- The applicant, parent, or spouse whose 1978 income was or would have been included on the application for a Basic Grant has experienced a loss of unemployment benefits in 1978 or 1979.

Remember: The Supplemental Form cannot be used to appeal the calculation of your eligibility index. If you file a Supplemental Form, you must also include a Basic Grant application with it. No other financial aid form can be used for this purpose. Follow the instructions on the Supplemental Form carefully. If you have difficulty filling out the form, see the financial aid officer at your school.

Determination of Award

The actual amount of your grant is determined by your eligibility index number, the total cost of attending your school, and your enrollment status. Thus, two students with identical eligibility index numbers, but with different costs of education, may receive grants of different amounts. In addition, your award may be reduced if you are enrolled less than full-time or if you are enrolled for less than a full school year.

Payment

You cannot be paid your grant until you are enrolled in an eligible program at an eligible institution. After you register for classes, your financial aid officer will use a standard method to calculate the actual amount of your award and enter it on your SER.

You will receive payment of your Basic Grant by one of two methods, the Regular Disbursement System or the Alternate Disbursement System. Your school chooses the system under which it prefers to operate.

Regular Disbursement System

The Office of Education does not send your school a check with your name on it. Instead, the Government places in a bank an amount of money large enough for your school to make Basic Grant payments to all its students.

The Basic Grant regulations require institutions to make payments at least once every academic term (semester, trimester, or quarter). Schools without formally defined terms must make payments at least twice a year. Of course, a school may pay more frequently if it wishes to do so.

Your school may choose the method it will use to pay you. It may credit your Basic Grant directly to your account, give you a check, or use a combination of these methods. When a school credits your account, it must notify you in writing of the amounts and methods of payment. For the school's records, you should acknowledge this notification in writing.

Alternate Disbursement System *(ADS)*

Some eligible schools have chosen not to disburse Basic Grant funds to their students directly. These schools operate under the Alternate Disbursement System (ADS). Students attending ADS institutions are paid directly by the Government after they make a "second stage" application.

You can get the second stage form, "Request for Payment of BEOG Award" (OE Form 304), from the financial aid officer at any institution which operates under the Alternate Disbursement System. After carefully filling out this form according to the instructions, you must submit it directly to the Basic Grant Program. After submitting the form, you will be advised of the amount of your award, the amount of the first payment, and the procedures for requesting additional payment(s). Within four weeks after receiving this information, you will receive your check.

Validation

The Basic Grant Program has an ongoing process of validating the information which students and parents report on their Basic Grant applications.

If you are selected for this validation process, you will be required to present to your financial aid officer certain documents, such as your Federal Income Tax Return 1040 or 1040A, W-2 statements, and statements of household size and number of household members in college. In addition, you must report on your application the amounts for Social Security benefits and Veteran's benefits. If discrepancies exist, you may be required to provide further information.

Once the financial aid officer receives these documents and has determined that the information reported on your SER is accurate, your award will be calculated and payment will be made. If any of the information reported on your SER is inaccurate, the financial aid officer will require that you correct the inaccurate data and have your SER reprocessed before payment can be made.

Action will be taken against applicants who knowingly misreport data. The Basic Grant application form requires you to submit documentation of the information you report to the U.S. Office of Education upon request by the Commissioner of Education. Failure to provide documentation may result in cancellation of your entire Basic Grant award.

Deadlines

March 15, 1980. Your application for Basic Grant eligibility must be received by this date.

May 6, 1980. Any corrections to your SER must be received by this date.

May 31, 1980 or the last day of the term, whichever comes first. Deadline for submitting your valid SER to the financial aid office at your school. If you miss this deadline, you will not receive your 1979-80 Basic Grant. If you enroll in a course of study beginning after May 1, 1980, you will have until June 30 to submit your valid SER to the financial aid office.

Addresses

If you need to write to the Basic Grant Program, there are several points you should remember. You should always include your full name, correct address, Social Security number, date of birth, and signature. Address corrections are best made on your SER. Use only the address where you reside while attending school.

Submit your Basic Grant Application to: BEOG, P.O. Box P, Iowa City, Iowa 52240.

Submit your corrected SER to: BEOG, P.O. Box H, Iowa City, Iowa 52240.

Submit your Supplemental Form to: BEOG, P.O. Box F, Iowa City, Iowa 52240.

For a duplicate copy of your SER or to change your address: BEOG, P.O. Box V, Iowa City, Iowa 52240.

Be sure to include with your request your name, address, Social Security number, and date of birth.

The Campus-Based Programs

The Supplemental Educational Opportunity Grant (SEOG), College Work-Study (CW-S), and National Direct Student Loan (NDSL) programs are referred to as campus-based programs. Under these programs, institutions apply annually to the Office of Education for funds, receive these funds directly, and the financial aid officer at each school determines which applicants are eligible and how much aid each will receive.

You can apply for aid under all three of these programs through the financial aid office at your school, which can provide you with application forms and specific information on eligibility requirements, deadlines, etc.

While the Office of Education does set broad guidelines regarding the distribution of these funds, the individual schools set specific requirements and eligibility criteria. Therefore, the descriptions below are necessarily general, and you must obtain specific information from your school.

Supplemental Educational Opportunity Grant Program

The Supplemental Educational Opportunity Grant Program is for students of exceptional financial need who, without the grant, would be unable to continue their education.

You are eligible to apply if you are enrolled at least half-time as an undergraduate or vocational student in an educational institution participating in the Program. Graduate students are not eligible. If you receive an SEOG,

it cannot be less than $200 or more than $1,500 a year. Normally, an SEOG may be received for up to four years. However, it may be received for five years when the course of study requires extra time. The total that may be awarded is $4,000 for a 4-year course of study or $5,000 for a 5-year course.

If you are selected for an SEOG, your school must provide you with additional financial assistance at least equal to the amount of the grant.

National Direct Student Loan Program

The National Direct Student Loan Program is for students (vocational, undergraduate, and graduate) who are enrolled at least half-time in a participating postsecondary institution and who need a loan to meet their education expenses.

You may borrow up to a total of: (a) $2,500 if you are enrolled in a vocational program, or if you have completed less than two years of a program leading to a Bachelor's degree; (b) $5,000 if you are an undergraduate student who has already completed 2 years of study toward a Bachelor's degree (this total includes any amount you borrowed under NDSL for your first 2 years of study); and (c) $10,000 for graduate or professional study (this total includes any amount you borrowed under NDSL for your undergraduate study).

Repayment begins 9 months after you graduate or leave school for other reasons. You may be allowed up to 10 years to pay back the loan. During the repayment period, you will be charged 3 percent interest on the unpaid balance of the loan principal. The amount of your repayment depends upon the size of your debt and your ability to pay; but, in most cases, you must pay at least $360 a year unless the school agrees to a lesser amount. This agreement for a lesser amount may be due to extraordinary circumstances such as prolonged unemployment.

If you default on an NDSL and the school is unable to collect, the Federal Government will take action to recover the loan. If you are discharged in bankruptcy, become totally or permanently disabled or die, the loan obligation will be cancelled.

No payments are required for up to 3 years while you serve in the Armed Forces, Peace Corps, or VISTA. In addition, deferment is available any time you return to at least half-time study at an eligible institution.

The financial aid officer at your school can tell you about loan cancellation provisions for borrowers who enter certain fields of teaching, or who teach in designated schools. If you have any questions about the terms of your loan, repayment obligations, deferment or cancellation, contact the school from which you received the loan.

Borrower's Rights—NDSL Program

- The lending institution must provide you with a copy of the complete promissory note and a copy of your repayment schedule.

• You have a right to a 9-month "grace period" before repayment begins after you have left school or if you attend school less than half-time. The "grace period" is a continuous 9-month period during which you are not enrolled as at least a half-time student at an institution of higher education.

• You have a right to defer payment of the loan under certain circumstances. Under most periods of deferment, you are not required to make payments of loan principal or interest.

• If you cannot meet the repayment schedule, you may request a deferment due to "extraordinary circumstances" for a specified period of time if it will assist in avoiding default.

• You have the right, if you obtain a National Direct Student Loan, to do so without security and without endorsement, unless you are a minor and the signature of a minor is not legally binding under State law.

• You have a right to prepay the loan without penalty. This means that you may at any time pay the loan balance and any interest due without being charged a penalty by the lender for early payment in full.

Borrower's Responsibilities—NDSL Program

It is your responsibility to:

• Notify the school if any of the following occurs before the loan is repaid: graduation, withdrawal from school or less than half-time attendance, change of address, name change (e.g., maiden name to married name), transfer to another school.

• Repay the loan in accordance with the repayment schedule. If circumstances arise which make it difficult for you to meet this responsibility, contact the lender immediately.

• Notify the lender of any occurrence which may affect your eligibility for a deferment of repayment.

College Work-Study Program

The College Work-Study Program provides jobs for students who need financial aid and who must earn a part of their educational expenses. You may apply if you are enrolled at least half-time as a vocational, undergraduate, or graduate student in an approved postsecondary institution.

An institution that participates in College Work-Study arranges jobs on-campus or off-campus with a public or private nonprofit agency. In arranging a job and assigning a work schedule, the financial aid officer will take into account: (a) your need for financial assistance; (b) your class schedule; (c) your health; and (d) your academic progress.

In general, the salary you receive will be based on the current minimum wage, but it may also be related to the type of work you do and the proficiency required of you. As with other campus-based aid, the work-study award is set by the aid office at a limit that cannot be exceeded. Thus, if you have a $500 CW-S award, regardless of the number of hours worked, once you receive the $500, you cannot continue to be employed under work-study for that academic year.

Guaranteed Student Loan Program

The Guaranteed Student Loan Program enables you to borrow from eligible lenders at a low interest rate to meet educational expenses, if you are attending a participating postsecondary school at least half-time. Banks, credit unions, savings and loan associations, and other lenders participate voluntarily in GSL and lend their own funds. Lenders may choose to whom they will lend, within GSL eligibility guidelines.

In most States, loans are guaranteed by State or private nonprofit agencies. In States without these agencies, loans are insured by the Federal Government. Guarantee agencies may impose requirements stricter than those of the Federal Program, and students not eligible for their States' guaranteed loans may be able to obtain a Federally insured Loan.

The maximum you may borrow as an undergraduate is $2,500 a year. A graduate or professional student may borrow up to $5,000 per year (in some States these amounts may be less). The interest rate on these loans is 7 percent.

The total GSL debt that you can have outstanding for undergraduate or vocational study is $7,500. The total for graduate or professional study is $15,000, including loans made at the undergraduate level.

Interest Benefits

All students are eligible for Federal interest benefits, regardless of family income. The Federal Government will pay the interest on the loan for you until you must begin repaying the loan, and during authorized periods of deferment.

Insurance Premiums

An insurance premium of up to 1 percent each year of the total loan outstanding may be collected in advance under a State or private guarantee agency program. An insurance premium of one-quarter of 1 percent will be collected for loans insured by the Federal Government. Usually this premium is collected at the time of disbursement by the lender.

Repayment

The loan must be repaid. Payments normally begin between 9 and 12 months after you leave school, and you are generally allowed from 5 to 10 years to repay the loan. You are expected to contact your lender shortly after leaving school to establish a repayment schedule. The amount of your payments depends upon the size of your debt and your ability to pay; but, in most cases, you must pay at least $360 a year unless the lender agrees to less.

If you default on a loan and a lender is unable to collect, the guarantee agency or Federal Government will take action to recover the loan. If you are discharged in bankruptcy, become totally and permanently disabled or die, the Federal Government will discharge the insured loan obligation. This loan cannot be cancelled or "forgiven" for duty in the military service or for any teaching service.

Deferment

You do not have to make payments for up to 3 years while you serve in the Armed Forces, Peace Corps, or full-time volunteer programs conducted by ACTION (which includes VISTA, University Year for ACTION, ACTION Cooperative Volunteer Programs, Volunteers in Justice, and Program for Local Service). In addition, deferment is available any time you return to full-time study at an eligible institution or pursue a course of study under a graduate fellowship program approved by the Commissioner of Education. A single deferment for a period of not more than 1 year is also provided for students who are unable to find full-time employment.

Application Procedures

- You may obtain a loan application from a local lending institution. Applications are also available from schools or regional offices of the Office of Education.
- After you fill out your part of the application, the school must complete the part of it which certifies your enrollment, cost of education, academic standing, and other financial aid you have been awarded.
- Present the application to a participating eligible lender. If the lender agrees to make the loan, it obtains the approval of the guarantee agency or the Office of Education, then disburses the loan to you in one or more payments.
- For further information, contact the appropriate State guarantee agency or the Regional Office of the U.S. Office of Education for your State. The addresses for these offices are listed at the back of this pamphlet.

Borrower's Rights—GSL Program

- Your loan check must be made payable to you (or to both you and the school) and requires your personal endorsement.
- If the lender transfers (e.g., sells) the loan and the right to receive payments, you must be sent a notification telling you to whom you must now make payments.

• You have a right to Federal interest benefits.

• Lenders must provide you with a copy of the completed promissory note.

• You have a right to a 9- to 12-month "grace period" before repayment begins after you have left school or if you attend school less than half-time. The exact length of this period is indicated on the promissory note.

• You have a right to prepay the loan without penalty. This means that you may, at any time, pay the loan balance and any interest due without being charged a penalty by the lender for early payment in full.

• You have a right to defer payment of the loan under certain circumstances. Under deferment, you are not required to make payments on the loan principal. You will not be required to pay interest on the loan during the deferment period. The conditions under which you may qualify for a deferment are listed on the promissory note.

• If you cannot meet the repayment schedule, you may request forbearance from the lender, under which the payments may be reduced for a specified period of time if it will assist in avoiding default.

• You have the right, if you obtain a federally insured loan, to do so without collateral and without a co-signer, unless you are a minor and the signature of a minor is not legally binding under State law. Lenders under some guarantee agency programs may require a cosigner.

Borrower's Responsibilities—GSL Program

It is your responsibility to:

• Notify the lender if any of the following occurs before the loan is repaid: graduation, withdrawal from school or less than half-time attendance, change of address, name change (e.g., maiden name to married name), transfer to another school.

• Repay the loan in accordance with the repayment schedule. If circumstances arise which make it difficult for you to meet this responsibility, contact the lender immediately.

• Notify the lender of any occurrence which may affect your eligibility for a deferment of repayment.

• Find a lending institution willing to make an insured loan. Participation by lenders in the GSL Program is voluntary and varies from area to area.

Health Education Assistance Loan Program

The Health Education Assistance Loan Program provides federally insured loans to graduate students attending eligible schools of medicine, osteopathic medicine, dentistry, veterinary medicine, optometry, podiatry, pharmacy, and public health. The loans are made by participating lenders, including banks, credit unions, savings and loan associations, and educational institutions.

The maximum you may borrow is $10,000 per academic year to a total of $50,000. Pharmacy students are limited to $7,500 per academic year to a total of $37,500.

Charges

There are two types of charges for a HEAL: **Interest.** There is no Federal interest subsidy. Interest may not exceed 12 percent per year (annual percentage rate) on the unpaid balance of the loan. **Insurance Premium.** The insurance premium is one-quarter of 1 percent per year and will be charged in advance to cover the period from disbursement until 9 full months after the student's anticipated graduation date.

Application

To apply for HEAL, a borrower must obtain an application from the financial aid officer at a health professions school. After completing the borrower's section, the borrower must have the school section completed by the financial aid officer and submit the application to a participating lender.

Repayment

Repayment will begin 9 full months after completion of formal training, including accredited internship and residency programs, or withdrawal from school. Borrowers have 10-15 years to repay the loan (excluding deferment periods).

Deferment

Repayment of principal can be deferred (a) For full-time study at a HEAL school or an institution of higher education that is participating in the Guaranteed Student Loan Program. (b) For up to 3 years for internship or residency training, service in the Armed Forces, Peace Corps, ACTION, or the National Health Service Corps.

Repayment Through Service

At the option of the Federal Government, a borrower may apply for Federal payments for service in the National Health Service Corps or private practice in a health manpower shortage area.

Penalties

There are penalties for defaulting or failing to complete a service agreement. Persons in professional practice who default on their loans may have payments for any federally supported service (such as Medicare, Medicaid) reduced by the amount of the default. The Federal Government is entitled to recover damages on any breach of obligation entered into under a Federal payment for service contract.

For Further Information, Contact:

HEAL
Post Office Box 23033
L'Enfant Plaza
Washington, D.C. 20024

Borrower's Rights—HEAL Program

- Your loan check must be made payable to you (or to both you and the school) and requires your personal endorsement.
- If the lender transfers (e.g., sells) the loan and the right to receive payments, you must be sent a notification telling you to whom you must now make payments.
- You have a right to a 9-month "grace period" before repayment begins after you have completed school (or after completing internship and residency in an accredited program, if started before the first day of the tenth month). The lender must provide you with a repayment schedule before the repayment period begins.
- You have a right to prepay the loan without penalty. This means that you may, at any time, pay the loan balance and any interest due without being charged a penalty by the lender for early payment in full.
- You have a right to defer payment of the loan under certain circumstances. Under deferment, you are not required to make payments on the loan principal.

Borrower's Responsibilities—HEAL Program

It is your responsibility to:

- Arrange with the lender to pay the interest on the loan.
- Notify the lender if any of the following occurs before the loan is repaid: Change of address, name change (e.g., maiden name to married name), failure to enroll in a HEAL school for the period for which the loan is intended, transfer to another school, withdrawal from school or attendance less than full-time, graduation, discontinuance of participation in an internship or residency program.
- Repay the loan in accordance with the repayment schedule.
- Notify the lender of any occurrence which may affect your eligibility to receive or to continue a deferment of principal payment.

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Sources of Information on the Guaranteed Student Loan Program

[redacted]

[redacted]

[redacted]

[illegible]
[illegible] 521-2444
[illegible] STATE REGENTS
FOR HIGHER EDUCATION
500 Education Building
State Capitol Complex
Oklahoma City, Oklahoma 73105
1st Contact: Walter William
and Mark Winters
Director and Assistant Director
of the Division of Student Assistance
2nd Contact: E.T. Dunlap
Chancellor

[illegible]
[illegible] 686-4166
OREGON STATE SCHOLARSHIP
COMMISSION
1445 Willamette Street
Eugene, Oregon 97401
1st Contact: Jeff W. Lee
Executive Director
2nd Contact: James Renton
Director
Telecopier: (503) 342-3963

[illegible]
(717) 787-1952
[illegible] HIGHER EDUCATION
ASSISTANCE AGENCY
660 Boas Street, Towne House
Harrisburg, Pennsylvania 17102
1st Contact: Jay Evans
Deputy Director, Loans
2nd Contact: Charles Russell
Director
Telecopier: (717) 787-3976

[illegible]
(401) 277-2050
[illegible] HIGHER EDUCATION
ASSISTANCE AUTHORITY
270 Weybosset Street
Providence, Rhode Island 02903
1st Contact: John Madigan
Executive Director
2nd Contact: Marguerite Burns
Assistant Director for Loans
Telecopier: (401) 528-4225

[illegible]
(803) 799-2818
SOUTH CAROLINA STUDENT LOAN
CORPORATION
Dutch Plaza, Suite 220
800 Dutch Square Boulevard
Columbia, South Carolina 29210
1st Contact: William M. Mischa, Jr.
Executive Director
2nd Contact: Kenneth Player
Assistant Director

[illegible]
(615) 741-1346
[illegible] STUDENT ASSISTANCE
CORPORATION
707 Main Street
Nashville, Tennessee 37206
1st Contact: Kenneth Barton
Executive Director
2nd Contact: Howard Wall
Assistant Director

[illegible]
(801) 533-5617
UTAH HIGHER EDUCATION
ASSISTANCE AUTHORITY
807 East South Temple, Suite 301
Salt Lake City, Utah 84102
1st Contact: Dr. Harden Eyring
Executive Director

[illegible]
(802) 658-4530 or 5039
VERMONT STUDENT ASSISTANCE
CORPORATION
8 Burlington Square
Burlington, Vermont 05401
1st Contact: Ronald Ivanson
Executive Director
2nd Contact: Mrs. Jean F. Phillips
Director, Loan Program
Telecopier: (802) 233-0373

[illegible]
(804) 786-2035
VIRGINIA STATE EDUCATION
ASSISTANCE AUTHORITY
Professional Building—Suite 311
1801 East Franklin Street
Richmond, Virginia 23219
1st Contact: Jane Chilton
Executive Director
2nd Contact: Fletcher Sisco
Assistant Director (Collections)
Telecopier: (804) 258-0432

[illegible]
(608) 266-0887
WISCONSIN HIGHER EDUCATION
CORPORATION
130 East Gilman
Madison, Wisconsin 53702
1st Contact: William Pusch
Director
2nd Contact: Richard H. Johnston
(608) 266-1665
Administrator for Division of Student
Support
Telecopier: (608) 258-5432

USAF, INC.
(212) 661-0800
UNITED STUDENT AID FUNDS, INC.
230 East 42nd Street
New York, New York 10017
1st Contact: J. Milner Marston
President and Chief Executive Officer
2nd Contact: Robert C. Shreeve
Vice President—Marketing

NATIONAL COUNCIL OF HIGHER
EDUCATION LOANS PROGRAM
(904) 487-1850
c/o Florida Student Financial
Assistance Commission
Knott Building, Room 1450
Tallahassee, Florida 32304
1st Contact: Ernest C. Smith, Jr.
Executive Director
2nd Contact: Helga Holst
President-Elect

SALLIE MAE
(202) 333-8000
STUDENT LOAN MARKETING
ASSOCIATION
1050 Thomas Jefferson Street, N.W.
Washington, D.C. 20007
1st Contact: Brad Hobby
Manager, Guarantor Liaison
2nd Contact: Edward Fox
President

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